



May 30, 2025

Speaker Carl Heastie
Legislative Office Building, Room 932
Albany, NY 12248

Dear Speaker Heastie and Assemblymembers,

We, the undersigned organizations representing tens of thousands of businesses of all sectors and sizes across New York, write to respectfully request your rejection of S.172/A.84, which would dramatically increase short-term disability benefits. The ramifications of such a drastic increase will have a devastating effect on the entire business community.

The viability of New York's economy depends on businesses, small and large, and a sudden and massive increase in short term disability benefits will place an extreme financial burden on New York businesses at a time of economic uncertainty and rising business costs. This legislation would dramatically increase short-term disability benefits, resulting in massive premium increases for New York businesses. New York is one of only five states that require employers to replace any income lost to workers due to off-the-job illnesses or injuries. Short-term disability benefits, historically, have been capped at \$170 per week since 1989, and while an adjustment of some kind could be appropriate, this bill proposes an increase in benefits each year from 2027 through 2030 until the maximum benefit reaches 67% of the employee's average weekly wage, capped at 67% of the state average weekly wage for weeks

1-12 of disability leave. Using the current state average weekly wage, benefits would rise from \$170 per week to \$1,177.32 per week. This is a 600% increase in the benefit amount over a 4-year period.

An increase of this magnitude will undoubtedly send short term disability insurance premiums skyrocketing not only from the higher benefits, but also from higher utilization. This increase, and its parallel increase in premiums, will severely impact businesses and non-profits, especially those operating on thin profit margins. Additionally, the legislation requires employers to cover at least 60% of the short-term disability premium, while contributions are capped for employees, meaning employers could be responsible for covering far more than 60%. Short-term disability is an insurance program for non-work-related illnesses and injuries, yet the large share of the financial burden will fall on business owners even though the program has nothing to do with the workplace.

Businesses in New York are already suffering from enormous financial stress due to economic turmoil, rising utility bills, mandated wage increases, unrelenting increases in healthcare and liability insurance premiums, an onslaught of lawsuits, and an exodus of workers from the labor force. At a time when New York legislators are pushing an affordability agenda, an additional insurance increase of this scale, paid for by businesses, is only going to add to the financial stress and pressure that is sinking countless businesses, forcing them out of business, or to other states. Every business, large and small, will feel the impact of this bill. Businesses are at their breaking points, and New York's lagging post-pandemic economy and cost of living crisis are the result of the relentless regulations and requirements coming out of Albany. The state must focus on working with the business community to improve the state's economic climate, which begins with supporting genuine affordability policies to advance the interests of the business community, the jobs they create, and the communities they sustain.

It is for these reasons that we ask you to reject this legislation as drafted and consider alternative funding streams for enhanced short-term disability benefits. Thank you for your time and consideration.

Sincerely,

Associated Builders & Contractors of Empire State
Associated General Contractors New York State
Business Council of New York State
Business Council of Westchester
Capital Region Chamber
Empire State Forest Products Association
Food Industry Alliance of New York
Greater Binghamton Chamber of Commerce
Greater Rochester Chamber of Commerce

National Federation of Independent Business (NFIB)
New York Association of Convenience Stores
New York Construction Materials Association, Inc.
New York Farm Bureau
New York State Economic Development Council (NYSEDC)
New York State Hospitality & Tourism Association (NYSHTA)
New York State Restaurant Association
Northeastern Retail Lumber Association
Retail Council of New York State
Trucking Association of New York
Upstate United

CC: Entire New York State Assembly